

**Bills Committee on Securities and Futures and Companies Legislation
(Structured Products Amendment) Bill 2010**

**Quantitative Analysis of Currency-Linked, Interest Rate-Linked and
Currency and Interest Rate-Linked Instruments
Issued and/or Sold by Authorized Institutions**

Purpose

This paper provides information on the amount of currency-linked, interest rate-linked and currency and interest rate-linked instruments issued and/or sold by retail banks in Hong Kong to their retail customers and the respective market shares of such authorized institutions (“AIs”) incorporated in Hong Kong and those incorporated outside Hong Kong.

Relevant Figures

2. According to the information reported in the Hong Kong Monetary Authority’s quarterly survey on sale of investment products, during the first half of 2010 -

- (a) out of the around HK\$323 billion worth of currency-linked instruments sold by retail banks in Hong Kong to their retail customers, 99% (HK\$319.3 billion) were sold by local retail banks, while the remaining 1% (HK\$3.6 billion) were sold by overseas incorporated retail banks; and
- (b) all of the interest rate-linked instruments sold by retail banks in Hong Kong to their retail customers (around HK\$2 billion) were sold by local retail banks.

3. Instruments that are linked to both currency and interest rate are not common for retail customers in Hong Kong.